ORDER

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

1800.52D

9/18/89

SUBJ: REGULATORY STANDARDS AND COMPLIANCE EVALUATION PROGRAM

1   <u>PURPOSE.</u>   This order describes the philosophy, purpose, and procedures to be used in conducting the Regulatory Standards and Compliance ((**AXR**)) Evaluation Program.

2.   <u>DISTRIBUTION.</u>   This order is distributed to the Executive Director for **AXR**, the Associate Administrators for Aviation Standards, and Regulation and Certification; to division level in the Offices of Aircraft Certification (AIR), Flight Standards ((**AFS**), Aviation Medicine ((**AAM**), Civil Aviation Security ((**ACS**), Program and Resource Management ((**APR**), Rulemaking (ARM), Accident Investigation ((**AAI**), and the Aviation Standards National Field Office ((**AVN**); the Civil Aviation Security, Flight Standards, Aviation Medicine,' and Aircraft Certification Divisions in the regions; Civil Aviation Security, and the medical staff, at the Technical Center; Civil **Aeromedical** Institute, and the Civil Aviation Security Division, located at the Aeronautical Center.

3   <u>CANCELLATION.</u>   Order **1800.52C**, Regulatory Standards and Compliance Evaluation Program, dated October 3, **1988**, is canceled.

4.   <u>BACKGROUND.</u>   This order provides specific information for **AXR** program offices to implement the requirements of Order **1800.2E**.   Order **1800.2E**, Evaluation and Appraisal of Agency Programs, establishes policies and guidelines for reviewing and evaluating agency programs and requires all Administrator's Management Team Members to establish and operate an evaluation program.

5.   <u>SCOPE.</u>   This order applies to the review and evaluation of all **AXR** programs in Washington headquarters and regions/centers.   Regulatory Standards and Compliance programs include activities directed by, and/or conducted in **AFS**, AIR, **ACS**, **AAM**, **APR**, ARM, **AAI**, and **AVN**.

6.   **OBJECTIVES**.   **AXR** evaluation programs are designed to:

a.   Assess overall program effectiveness:

b.   Ensure that **AXR** programs and associated activities are **administered** in accordance with applicable laws, rules, regulations, policies, directives, and guidance material;

CL Appraise the effectiveness of program guidance provided by all elements of the **AXR** organization and identify areas where improvement or revision is needed;

d. Promote program standardization;

e. Promote increased efficiency and effectiveness in managing, administering, and operating **AXR** programs by exchanging information, ideas, methods, and systems, between Washington headquarters offices, regions and centers:

f. Determine the degree, quality, and timeliness of service provided to users:

g. Help ensure that performance is measured against established goals and objectives;

h. Strengthen open, honest communications between management and employees, and between the agency, industry, and the general public:

i. Help ensure that effective human resource management* practices are used by managers, supervisors and employees;

L. Determine whether resources are adequate to perform priority functions:

k   Identify sound management practices in programs, and facilitate the transfer of these practices throughout **AXR.**

7   <u>EVALUATION TYPES AND CONDUCT</u>: **AXR** evaluation staffs conduct both effectiveness and compliance evaluations. Detailed guidance and performance expectations for the **AXR** Evaluation Program are included in Appendix **1.**

a. <u>Effectiveness evaluations</u>:   These identify and analyze program objectives, measure the extent to which results are being achieved, assess management effectiveness, and identify recommendations to improve program operation.

b. <u>Compliance evaluations</u>:   These measure the extent to which regional divisions and field offices implement and operate line programs in accordance with national or regional policy, procedures, or regulation.

c. <u>Conducting evaluations</u>: **AXR** headquarters evaluation staffs primarily conduct effectiveness evaluations of their respective line programs. **AXR** regional evaluation staffs, and **AVN** evaluation staff, primarily conduct compliance evaluations. Regional evaluation offices may also assist

with headquarters effectiveness evaluations, or perform their own. **AXR** headquarters evaluation staffs also provide national oversight of compliance evaluations to assure comparable data collection from each region, and facilitate national compliance data compilation.

d **Timing:** Effectiveness evaluations will be conducted as needed, at the request of program office management. Compliance evaluations will be conducted as needed, but at least triennially for each program.

8 EVALUATION PROGRAM VALUE. **AXR** program effectiveness and compliance evaluations are an integral part of **every AXR** office's managerial responsibility. Evaluations provide the **data** and analysis necessary for managers to fulfill their responsibility to periodically assess whether their programs are accomplishing what they were intended to, and for **making** adjustments if actual performance deviates from planned. It is an indispensable tool to be used in developing policies, guidelines, standards, systems, and procedures for **agency**-wide application. Furthermore, it is essential for . . . determining the overall effectiveness of **AXR** programs in meeting the needs of the agency, its employees, and the general public.

9. RESPONSIBILITIES.

a. Office of **Program** and Resource Management (**APR**).

(1) Evaluations: Conduct or participate in **AXR** effectiveness evaluations, as requested by program office management or **AXR** evaluation staffs. APR will serve as the primary evaluation staff for conducting evaluations in **APR**, ARM, and **AAIm**.

(2) Procedures: Develop **AXR** evaluation procedural guidance for use by all the **AXR** Offices and Services.

(3) Training: Provide or facilitate formal or informal training of **AXR** evaluation officers and evaluation team members.

(4) Assist/Consult: Provide advice and assistance to **AXR** Offices and Services to ensure that they have evaluation programs that meet agency and **AXR** evaluation guidance; provide consulting services upon request to aid evaluation design, data collection methodology selection, and data interpretation.

(5) Program effectiveness: Determine whether the overall AXR evaluation system is operating efficiently and effectively. APR will meet with program office management as necessary, and AXR-1, if necessary, to ensure that any deficiencies identified in AXR evaluation staffing, resources, or conduct are alleviated,

(6) Planning: Compile individual AXR office evaluation plans into a unified AXR evaluation plan and submit, by September 1, through the Executive Director, to ASF-1 for key safety area evaluations (i.e. ACS, AFS, AIR), and AAD-2 for all others.

(7) Monitoring: Establish an evaluation automated tracking system (EATS) for use by all AXR evaluation staffs that will identify and provide summary information about planned, ongoing, and completed evaluations as described in paragraph 10a.

(8) Coordination: Serve as a conduit for coordination between AXR evaluation offices and AAD-2 and ASF-1.

(9) Accomplishment reporting: Provide AXR offices specific reporting procedures for evaluation accomplishments. Compile the evaluation accomplishment reports from each AXR office into a unified AXR accomplishment report and submit, by November 1, through the Executive Director, to AAD-2, and ASF.

(10) Maintain a master file of all AXR evaluations.

b. AXR Office Directors-

(1) Planning: Office directors are responsible for developing annual evaluation plans covering the functional areas under their direction. The plans are to include (a) a schedule that shows the organizations, programs, and activities to be evaluated, (b) the type of evaluation (i.e. effectiveness or compliance), (c) the-evaluations's scope, (d) resource requirements, and (e) planned start and completion dates.

(2) Planning coordination: Each director's plan is to be submitted to APR by August 15 for compilation and submission to ASF-1 and AAD-2.

(3)   **Performing** evaluations: AXR office directors
are responsible for ensuring that effectiveness evaluations
are conducted on their office's line programs as needed, and
that compliance evaluations of their office's line programs
are conducted as needed, but at least triennially.

(4) **Reporting** coordination: As evaluations are
completed during the fiscal year, provide one copy of each
evaluation report and related follow-up action to **APR-400**,
and one copy to either **ASF-1** for evaluations covering key
safety areas (**AFS, ACS,** AIR), or **AAD-2** for those covering
other than key safety areas.

(5) Evaluation officer: Designate an evaluation
officer to administer the evaluation program, and coordinate
evaluation information and assistance requirements with APR.

(6) Directive: Issue an evaluation directive to
implement this order: or utilize this order as implementing
authority.   Ensure that the evaluation system complies with
the overall agency evaluation system.

(7) Joint Evaluations: Ensure that joint . . .
evaluations are undertaken where practicable to conserve
resources and to minimize the impact on organizations being
evaluated.

(8) **Regional guidelines:** Provide regional/field
counterparts with compliance evaluation guidelines to assure
comprehensive.and timely coverage of major programs in the
field.

(9) Uniform compliance evaluations: **AXR**
headquarters evaluation staffs will work with regional
evaluation officers to prepare a single, unified data
collection instrument to be used by each region for
evaluating program compliance. A distinct and suitable
unified data collection instrument will be formulated to meet
each program's compliance evaluation needs, This will
eliminate effort duplication associated with each region
preparing its own data collection instrument, assure that key
areas of national interest are covered, and provide the means
to obtain consistent data collection, facilitating national
compliance data base compilation for each program. Regions
may supplement the uniform data collection instrument to
cover any program aspects unique to that region. The same
data collection instrument will be used for subsequent
compliance evaluations of that program, to provide consistent
data for trend analysis. Modifications will be made only if
program changes make the previous questions obsolete.

(10) <u>Compliance evaluation oversight</u>: Headquarters evaluation offices will monitor the effectiveness of regional compliance evaluation activities, and as necessary, conduct a formal effectiveness evaluation of program compliance evaluation activities.

(11) **Tracking system:** Participate in EATS implementation to ensure that the system meets **AXR** requirements and provides the means to monitor evaluation activities and assure that evaluation findings/action **items** are acted upon in a timely manner.

(12) <u>Reporting accomplishments</u>: Submit a report describing their evaluation program's accomplishments during the fiscal year to **APR** by October **15.**

10. <u>EVALUATION MONITORING AND REPORTS</u>.

a. <u>**Monitoring**</u>: Information on planned evaluations including the topic, a brief description of the objectives or intent, planned starting date, and resource requirements are entered in EATS. The information is updated as **necessary, as** progress occurs on the evaluation. Once the evaluation is completed, EATS will maintain a summary of information regarding the evaluation's cost, findings, conclusions, recommendations, approved follow-up action, the milestones for actions, status, and responsible office.

b **Findings:** Evaluation reports should include both positive and negative findings, discussion, and recommendations.

c. <u>**Findings** not **negotiated**</u>: Evaluation reports should be issued in final without negotiating findings with the office being evaluated. In some cases, a draft report may be coordinated with the office being evaluated to ensure the accuracy of technical data.

d **Resolving** findings **disagreements**: Disagreements with recommendations or findings, are handled during the follow-up phase. In such cases, the program manager shall **meet** with the evaluation team leader subsequent to report issuance to resolve disagreements or conflicting opinions, and identify compromise or alternative actions to resolve problem areas. Disagreements persisting following the meeting shall be resolved by the program office director, with the resolution noted in the action plan described in paragraph **11.**

   e.   __Reporting__: The final report should be submitted by
the team leader to the client (requesting official) for
issuance within **45** working days after completing the on-site
visit, or as agreed with the client and documented in the
prospectus. Safety related or other critical findings shall
be reported immediately to the requesting official, and
coordinated with **ASF-1**.

   f   __Official use only__: Evaluation reports shall be
marked "FOR OFFICIAL USE ONLY (PUBLIC AVAILABILITY TO
DETERMINED UNDER 5 **U.S.C. 552)**." Requests for disclosure
shall be handled in accordance with Order **1200.23**, Public
Availability of Information, and Order **1600.15D**, Control and
Protection of "FOR OFFICIAL USE **ONLY"** Information, and where
applicable, FAR Part **191**, Withholding Security Information
from Disclosure under the Air Transportation Security Act of
1974. Classified information shall not be included in
evaluation reports.

11. __FOLLOW-UP ACTION__. Within **30** days of receiving the final
evaluation report, the head of the organization evaluated
should advise their Office Director of actions taken or
planned in response to the evaluation recommendations.- **They**
will provide, and coordinate with their evaluation office, **an**
action plan describing: planned actions: milestones for
starting and completing recommended changes; decisions made
by program office directors to resolve disputed findings; and
identify recommendations that will not be implemented, and
the rationale for not implementing them. The frequency of
subsequent progress reports will be identified in the action
plan, but will be provided no less than quarterly. Managers
will strive to resolve all follow-up actions within 6 months,
or within agreed upon time-frames established in the action
plan. Copies of the action plan and follow-up reports will
be coordinated with **AAD-2** and **ASF** as appropriate.

Anthony J. Broderick
Acting Executive Director for Regulatory
   Standards and Compliance, **AXR-1**

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1. TYPES OF EVALUATIONS. .

   a. **AXR** headquarters evaluation staffs primarily conduct effectiveness evaluations. These evaluations assess how effectively programs achieve specified goals and objectives. The evaluation's purpose is to assure that the program effectively achieves its intended objectives, and that program management is competent, constructive, and efficient. These types of evaluations are directed towards entire programs or specific program segments.

   b. **AXR regional** office evaluation staffs primarily conduct compliance evaluations. Compliance evaluations assess whether programs are operating as designed, and whether program management is conforming with the pertinent order, rules, or regulations. They differ from effectiveness evaluations in that they do not necessarily evaluate the extent to which program objectives are actually achieved, or the efficiency of the program's design for achieving them. Rather; they seek to ensure that the program is implemented in accordance with national, regional, and local policy, procedure and regulation.

2. MANAGEMENT SUPPORT.

AXR top **managers** visibly and actively support the **AXR** evaluation **program.**

Top management support is critical for obtaining staff cooperation necessary for conducting evaluations, and for implementing evaluation recommendations. Management is, to the maximum extent possible, involved with: team training prior to each evaluation: evaluation entrance/exit conferences; and 'on-site **pre-briefing** and discussion of evaluation findings. Management also supports the evaluation program by displaying willingness to release key staff people to serve'as ad hoc evaluation team members.

3. SCHEDULING EVALUATIONS.

Effectiveness evaluations are scheduled based on need.

   a. **Planning:** Prior to the beginning of each fiscal year; the evaluation officer meets with the office director, and their top management team, to determine what programs

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they are interested in evaluating during the next fiscal
year. The evaluation officer has a consulting relationship
with the office director that provides for a two way
information flow in which the evaluation officer, based on
their experience, may suggest programs for evaluation.

    b Scheduling: Headquarters evaluation schedules are
flexible enough to serve client needs for evaluations that
arise during the fiscal year. If the need arises to perform
an unscheduled evaluation, the evaluation staff does their
best to accommodate priority issues.

    c. Compliance evaluation scheduling: Program compliance
evaluations are scheduled on a rotating cyclical basis, to
assure policy, regulatory, and procedural compliance in each
region, branch, and field office. Each program is evaluated
as needed, but at least triennially.

    d Tracking: Once the evaluation plan is established,.
information regarding the topic, the evaluation's intent or
objectives, planned starting and completion dates, and
resource requirements are entered in EATS. The **system**
facilitates **AXR-wide** evaluation planning and staffing.

4 RESOURCES.

AXR provides adequate resources for **implementing** effective
and meaningful evaluations.

    a. Staffing: Each **AXR** office, except **AAI** and ARM, has
a dedicated program evaluation staff, of one or more persons,
who are not assigned other significant duties.

    b Evaluation Team: **AXR** evaluation teams are comprised
of a small, manageable number of people, normally not
exceeding. 6. The actual size and composition of the **team**
will be influenced by the nature and scope of the evaluation.
The evaluation **team** is led by a full **time** evaluation staff
member, and staffed as necessary with ad hoc team members
from other **AXR** evaluation staffs, and headquarters or
regional professional/technical staff.

    c. Time: Each proposed evaluation is analyzed and
carefully planned to allow sufficient time to provide
meaningful advance preparation and team training, (see
Standard #5), on-site data collection, data analysis and
report production.

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d Funding: All costs associated with a given evaluation are normally borne by the **AXR** office doing the evaluation; this includes travel **costs** for **team** members regardless of their home office. All costs associated with a given evaluation are tracked by EATS. The normal budget process is used for planning evaluation funding.

e. Equipment: Team members on evaluations are issued lap top computers, as necessary, for efficient data development and report production in the field.

5. ADVANCE PREPARATION.

Substantial **time** and effort is devoted to **planning** evaluations,

a. Notification: Offices **to** be evaluated are notified 3 to 6 months in advance. Exceptions to the notification requirement may be made for special or urgent evaluation& with **AXR** program office management approval.

b Objectives identified: The overall evaluation objective identifies the problem or the situation cited by the client requesting the evaluation. Subsequently, the team leader, in concert with the evaluation **team** members, identifies multiple specific sub-objectives, addressing each element of the overall objective.

c. Evaluation planned: Prior to initiating data gathering, the team leader completes an evaluation plan. This plan identifies the evaluation's overall objectives, specific sub-objectives, methodology for completing each objective, and the necessary data collection tasks. In addition, the **team** leader is responsible for developing data collection questionnaires and program records review guidelines.

d. Criteria Identified: Criteria are identified prior to **the** evaluation that provide the basis for evaluating data obtained. The criteria identify expected or desired program performance, and are used as the basis for evaluating the program's actual performance or condition.

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   e. Team Training: For each evaluation, about 3 to 5
days is dedicated to training the entire evaluation **team** (as
a group) on the evaluation objectives, process, criteria,
logistics, report requirements, equipment use, team-member
responsibilities, controversial issues, etc. The exact
amount and extent of training should be based on the nature
and scope of the evaluation and the experience level of the
evaluation team. This training occurs immediately preceding
the on-site segment and is tailored for each evaluation.

   f   Advance Data Collection: Advance data collection
begins immediately following evaluation notification, It
includes orders, regulations, policy directives, and other
fundamental background information, It is used to provide
basic guidance for identifying sub-objectives, necessary
tasks, and interview questions. The data is thoroughly
analyzed and assembled for easy use by the team,

   g. Logistics: All logistics arrangements for **AXR** .
evaluations are made in advance by the office doing the
evaluation, including airline, hotel, G-car and rental **car**
reservations; obtaining maps and driving instructions as
required: scheduling on-site interviews (specific dates and
times); itinerary/schedule preparation for each team member,
etc.

6. CONDUCTING EVALUATIONS.

   a. Entrance Conference: An entrance conference is
scheduled for each evaluation. It includes as many team
members as practicable, the regional administrator or office
director, and the head of the organization being evaluated*
The entrance conference explains the evaluation's purpose and
methodology, The team should also offer to review, if
possible, any specific areas requested by the regional
administrator or head of the organization being evaluated.

   b. Exit Conference: An exit conference is scheduled by
the team leader, including the same people as the entrance
conference, for the purpose of briefly describing major
findings and recommendations for improvement, if available at
that time,

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7. <u>TEAM MANAGEMENT</u>.

<u>**AXR** evaluations are **team** efforts, effectively managed and
controlled by a Team Leader</u>.

An **AXR** evaluation **team** leader manages and facilitates the
evaluation, and is responsible for assuring its success. The
team leader does not necessarily carry an "equal load" with
respect to on-site data collection. **AXR** evaluation teams
usually do not conduct joint interviews, but the team process
provides for extensive team sharing, discussion, and conflict
resolution. To facilitate the team environment, during data
acquisition and analysis, the **team** leader **may** chose to
convene periodic meetings to identify interim findings,
discuss critical issues, and identify and resolve any
problems. **AXR** evaluation reports reflect a **team** effort and
team agreement that there is sufficient evidence to support
each finding and recommendation.

8. <u>REPORT</u>.

<u>**AXR** evaluation reports provide timely, concise, relevant
information on program operation</u>.

    a. <u>Types of findings</u>. Evaluation reports include both
positive and negative findings and recommendations. It is
equally as important to inform managers of program aspects
that are going well as it is to point out deficiencies.
Positive findings provide positive reinforcement and help
form the basis for wider implementation of effective
management techniques. Likewise, it is critical to identify
deficiencies to provide assistance in improving program
performance. Negative findings are presented constructively,
with possible remedies identified.

    b <u>Executive summary</u>. **AXR** evaluation reports include an
executive summary. All executive summaries explain the
purpose of the evaluation, provide enough background
information to describe the subject program, and what was
evaluated. Executive summaries for headquarters
effectiveness evaluations enumerate the evaluation's
significant, basic program effectiveness findings and
recommendations, while those for regional compliance
evaluations identify majors areas of program compliance and
non-compliance.

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c. **Reporting** style. The main body of the report is succinct, to the point, and able to quickly provide critical information, findings, conclusions, and recommendations to busy managers without wading through extensive data discussion. When necessary for detailed understanding, data and discussion is presented in attached or detached appendices.

d Report content, Headquarters effectiveness evaluation reports present findings and recommendations regarding the program's effectiveness at achieving its goals and objectives, These findings are based on the evaluation **team's collective** opinion using advance data, on-site data, their own experience, knowledge, and judgment. Regional compliance evaluation reports concentrate on identifying areas of compliance and individual discrepancies between actual program practice and handbook references. Specific discrepancies are enumerated, their significance identified, and recommended remedies indicated.

e. Report format, The specific report format should be tailored to meet the purpose of the evaluation, and the needs of the client requesting the evaluation. As a rule, the report should be concise and provide key findings and information in a format that makes the information readily available, without having to wade through extensive data discussions. The report should include:

(1) Cover. Title of evaluation and dates conducted.

(2) Approval Page.. Includes names of team members and signature line for team leader approval.

(3) Executive Summary. Contains the information described in paragraph **8b..**

The text for each evaluation topic should include:

(4) Topic. The evaluation topic should be cited, and its significance explained, if possible.

(5) Finding/Conclusion. A one-sentence statement that summarizes the basic finding, followed by a brief description of the rationale supporting it.

(6) Recommendation(s). Describe the action **items** necessary to resolve problems or improve the situation, and identify the office responsible for carrying it out.

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f   Not Coordinated/Negotiated.   Evaluation findings and
recommendations are **not** coordinated or negotiated with
anyone.   Evaluation reports are not issued in draft, only in
final.   In some cases a draft report may be coordinated or
discussed with the office being evaluated to ensure the
accuracy of technical data; however, findings, conclusions,
and recommendations are not negotiable.

g.   Review.   **AXR** evaluation reports are prepared by the
evaluation team, and reviewed by the cognizant manager of the
evaluation team.   After the managers approval, the report is
prepared in final and presented directly to the client
 (typically the office director), without intervening
management review,

9.   FOLLOW-UP.

Formal follow-up process facilitates prompt, responsive
action on recommendations.

a.   Resolving disagreements.   A program manager may
disagree with an evaluation's conclusions, findings or
recommendations.   While these aspects of the report are not
negotiable, the program manager shall meet with the
evaluation team leader subsequent to report issuance in
attempt to resolve disagreements or conflicting opinions, and
identify compromise or alternative actions to resolve problem
areas.   Disagreements persisting following the meeting should
be resolved by the program office director, with the
resolution noted in the action plan described in the Order's
paragraph 11.

b.   Action plan.   Within **30** days of receiving the final
evaluation report, the head of the organization evaluated
advises their Office Director **of** actions taken or planned in
response to evaluation recommendations.   They provide, and
coordinate with their evaluation office, an action plan
describing planned actions, time-frames for starting and
completing recommended changes, decisions made by program
office directors to resolve disputed findings, and identify
recommendations that will not be implemented, and the

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rationale for not implementing them, The frequency of subsequent progress reports will be identified in the action plan, but will be provided no less than quarterly. Managers will strive to resolve all follow-up actions within 6 months, or within agreed upon time-frames established in the action plan. Copies of the action plan and follow-up reports will be coordinated with AAD-2 and ASF as appropriate.

    c. Tracking follow-up. Information on completed evaluations is entered into EATS to facilitate follow-up, The system contains information on evaluation findings, conclusions, recommendations, responsible program office, their schedule of actions and status,